

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION

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September 9, 2003

**FROM:** JOHN D. GOSS, Assistant County Administrator  
Economic Development/Public Services Group

**SUBJECT:** LAFCO NO. 2942 – Dissolution of County Service Area 77 (Mariana Ranchos Area) – Conduct a Public Hearing

**RECOMMENDATION:** Acting as the governing body of County Service Area 77 (CSA 77), conduct a public hearing to adopt Resolution No. 03-\_\_\_\_, pursuant to Revenue and Taxation Code Section 99.02, to authorize the transfer of the CSA 77 tax rate and associated tax revenue to the Mariana Ranchos County Water District (MRCWD), as a result of its pending dissolution related to LAFCO No. 2942 (Dissolution of County Service Area 77 – Mariana Ranchos Area):

<u>Agency</u>	<u>Transfer To</u>	<u>Transfer From</u>
MRCWD CSA 77	1.29%	1.29%

**BACKGROUND INFORMATION:** Local Agency Formation Commission (LAFCO) application No. 2942 proposes dissolution of CSA 77, which encompasses approximately 480 acres. The area is generally bordered by Ocotillo Way on the north, Navajo Road on the east, a combination of Santa Rosa Road and Roundup Way on the south, and a combination of Kiowa and Juniper Roads on the west.

CSA 77 is a road improvement district located within the southern Apple Valley area which was created in 1970. This district receives ad valorem property taxes, and these funds have been used to maintain 5.5 miles of desert-mix roadway. These roads were paved approximately 30 years ago and the current revenue is no longer sufficient to maintain them. The pending LAFCO action will consider the dissolution of the district.

Staff recommends that the MRCWD, as a local public agency, receive the CSA 77 tax rate share (1.29%) of ad valorem property taxes within Tax Rate Area 54005. CSA 77 overlays a small portion of the much larger MRCWD territory. It was the CSA 77 advisory board's desire to maintain these tax revenues with a community-based agency, rather than forfeiture to a regional agency. The MRCWD is the only available agency with which to maintain tax revenues at a community level.

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Section 99.02 of the Revenue and Taxation Code requires the Board of Supervisors to: (1) schedule a public hearing, (2) make the appropriate findings, and (3) adopt a resolution for the transfer of the property tax rate. On August 26, 2003, a public hearing was scheduled for September 9, 2003, and the proper notice was published in accordance with Government Code section 6061. The appropriate findings and property tax rate transfer are outlined in the recommended resolution.

The property tax transfer referenced in the above recommendation and associated resolution was determined by identifying the tax rate and amount of the estimated property tax distribution for CSA 77, as provided by the Auditor/Controller-Recorder. The Mariana Ranchos County Water District concurs with this property tax rate transfer and has adopted a similar resolution.

**REVIEW BY OTHERS:** This item was reviewed by the County Administrative Office (Wayne Thies, Administrative Analyst) on August 18, 2003, by LAFCO (Kathleen Rollings-McDonald, Acting Executive Officer) on August 18, 2003, and County Counsel (Tom Krahelski, Deputy County Counsel) on August 19, 2003. This item has also been coordinated with the agencies impacted by the pending dissolution.

**FINANCIAL IMPACT:** This property tax rate transfer (from CSA 77 to MRCWD) shall only be effective upon the satisfactory completion of the dissolution proceedings. Once this dissolution has been finalized, the property tax rate transfer will commence on July 1, 2004, and for each fiscal year thereafter. The property tax transfer amounts to approximately \$1,600 per year.

**SUPERVISORIAL DISTRICT(S):** First

**PRESENTER:** John D. Goss, Assistant County Administrator 387-4731